

REMARKS

In the pending Office Action mailed September 8, 2004, the Examiner rejected Claims 1-28 under 35 U.S.C. § 103, rejected Claims 10-19 under 35 U.S.C. § 112, and rejected Claims 1-18 under 35 U.S.C. § 101. Claim 1 and Claim 10 have been amended and meet the requirements of Section 101 and Section 112. The substantive rejections are traversed. Reconsideration and further examination of this application are respectfully requested.

A. Rejection of Claims 10-19 Under 35 U.S.C. § 112

In paragraph 2 of the Office Action, the Examiner rejected Claims 10-19 under 35 U.S.C. § 112 as being indefinite for reciting a "system", which the Examiner considered indefinite because "a system may be one of several different statutory classes of invention," citing method and apparatus as classes. The Examiner required that applicant must state "what statutory class of invention the system claims belong to." Applicant hereby states that all of Claims 10-19 are apparatus claims. Applicant asserts that, with this requested clarification, Claims 10 through 19 meet the requirements of Section 112.

B. Rejection of Claims 1-18 Under 35 U.S.C. § 101

In paragraph 3 of the Office Action, the Examiner rejected Claims 1-18 under 35 U.S.C. § 101 as non-statutory because the claims as presented "do not claim a technological basis" and concluding that the claims could conceivably relate to "no more than a manipulation of an abstract idea." The Examiner noted that a claim that

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"includes in the preamble and body of the claim, structural/functional interrelationships that are solely by computer (and non-trivial) are considered to have a technological basis."

With this amendment, Claim 1 now recites a method of determining ownership allocation "in accordance with a digital data set," and includes the operation of "processing the digital data set with a computer processor." Thus, Claim 1 as amended includes a preamble and body with structural and functional interrelationships that are solely by computer. The interrelationships are non-trivial in that they encompass the novel features recited for the invention. Therefore, Claim 1 recites a "technological basis" and meets the requirements of Section 101. Claims 2-9 depend from Claim 1, and therefore Claims 2-9 also recite a technological basis and are in compliance with 35 U.S.C. § 101. Withdrawal of the rejection of Claims 1-9 under 35 U.S.C. § 101 is requested.

Claim 10 has been amended so that it is directed to "a computer system" and includes "one or more computer processors" that "execute program instructions and receive a digital data set" to determine the ownership interest allocation. Thus, Claim 10 as amended includes a preamble and body with structural and functional relationships that are solely by computer and that are non-trivial. Therefore, Claim 10 recites a "technological basis" and meets the requirements of Section 101. Claims 11-18 depend from Claim 10, and therefore Claims 11-18 also recite a technological basis and are in compliance with 35 U.S.C. § 101. Withdrawal of the rejection of Claims 10-18 under 35 U.S.C. § 101 is requested.

C. Rejection of Claims 1-28 Under 35 U.S.C. § 103(a)

In paragraph 5 of the Office Action, the Examiner rejected Claims 1-28 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. US 2002/0032626 A1 to DeWolf et al. ("DeWolf"), in view of U.S. Patent Application Publication No. US 2002/0019796 A1 to LeGraw ("LeGraw").

The present claims, as amended, are directed to techniques for allocating business entity ownership interest, wherein transactions of contributors to the business are grouped into contributor transaction classes, and a contribution value is calculated for the transactions in each class to indicate the contribution of each transaction to the value of the business, using a predetermined performance metric for each transaction class, and lastly, at least one award rule for a class member is determined, based on the calculated contribution values for all the transaction classes. See the application at page 3, lines 7-13 and see also Figure 1 and accompanying description at pages 6-8. As noted above, such techniques are performed with a computer processor on a digital data set. Claim 1, for example, reads as follows:

1. A method of determining business entity ownership interest allocation in accordance with a digital data set, the method comprising:
 - determining contributor transaction classes into which transactions of contributors with a business entity are assigned;
 - processing the digital data set with a computer processor, and calculating a contribution value for the contributor transactions in each contributor transaction class to indicate the contribution of each transaction to the value of the business entity, using at least one performance metric for each contributor transaction class; and
 - determining at least one award rule for each contributor transaction class in response to the calculated contribution values for the contributor transaction classes.

All of the independent claims, Claims 1, 10, 19, and 20, include similar limitations. As explained below, DeWolf and LeGraw do not relate to such features.

1. The DeWolf Citation

DeWolf describes "a method and system for attributing ownership of an asset or property to an individual, groups of individuals or other entities, as well as maintaining an up-to-date status regarding relevant attributes of the asset" (DeWolf at text page 1, paragraph 0008). As described in DeWolf, the system includes a registry that "would provide for methods of conducting transactions that alter the state of ownership and other attributes of the asset" (DeWolf at text page 1, paragraph 0008). Thus, DeWolf relates generally to supporting asset ownership exchanges. The exchanges are based upon exchange of money, barter, auctions, and gift giving (see DeWolf at para. 0013); that is, one type of asset is exchanged for another.

In contrast, the pending application relates to business entity ownership interest allocation by determining contributor transaction classes, calculating a contribution value for the contribution transactions to indicate the contribution of each transaction to the value of the business entity, and determining at least one award value for each contributor in response to the calculated contribution (see, e.g., Claim 1).

The exchange methods supported by DeWolf relate to asset ownership, not business entity ownership (see, e.g., Claim 1 preamble). DeWolf says nothing about contributor transaction classes. DeWolf is unrelated to business entity contribution values. DeWolf does not discuss award rules in response to a calculated contribution value of a transaction. DeWolf does not describe determining an award value in

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response to the contribution because, again, DeWolf is describing two entities that are merely exchanging assets with each other. Thus, it is asserted that DeWolf does not provide the features of the claimed invention.

2. The Proposed Combination with the DeWolf Citation

Although the Examiner acknowledged that DeWolf does not disclose the claimed feature of "determining contributor transaction classes into which transactions of contributors with a business entity are assigned" (Office Action paragraph 0005), the Examiner asserted that LeGraw shows this limitation (citing to LeGraw at paragraphs 0007, 0009, and 0010) and, under Section 103, the Examiner attempted to combine LeGraw with DeWolf. It is asserted that the proposed combination of LeGraw with DeWolf does not make up for the deficiencies of DeWolf, because there is no reason or motivation to attempt the combination, because the combination, even if possible, would not describe or suggest determining contributor transaction classes as recited in the claims, and because the proposed combination could not be successfully achieved.

a. No reason or suggestion for combining DeWolf and LeGraw

There would be no motivation to combine the teachings of DeWolf and LeGraw. DeWolf describes "a method and system for attributing ownership of an asset or property to an individual, groups of individuals or other entities" (DeWolf, paragraph 0008), whereas LeGraw describes a "process of determining the economic worth of an asset at a particular point in time" (LeGraw, paragraph 0003). DeWolf's method of tracking ownership of an asset does not depend on the value of the asset. Therefore, there would be no reason to combine DeWolf with LeGraw. Similarly, LeGraw's method

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of using comparative information to determine the economic value of an asset does not depend on the ownership of the asset. Again, there would be no motivation to combine the teachings of DeWolf and LeGraw.

b. Claimed features would not be provided by the combination

It is submitted that LeGraw does not show the limitation of "determining contributor transaction classes into which transactions of contributors with a business entity are assigned." LeGraw simply describes a system and method of collecting and trading statistical information (LeGraw, paragraph 0002) and describes that assets, such as business enterprises, are valued by comparison with known values of similar business (LeGraw at paragraph 0005). Like DeWolf, the LeGraw citation is concerned with asset valuation, not business entity ownership (equity) allocation. Thus, even if LeGraw and DeWolf could be combined, they would not provide the claimed invention.

LeGraw does not describe "determining contributor transaction classes into which transactions of contributors with a business entity are assigned." Rather, LeGraw describes determining the value of a business asset by comparison with known values of similar businesses, and that "generally, similarity is determined by size, type of business activities or products, geographic location, type of ownership structure, etc." (LeGraw, paragraph 0005). LeGraw states that "comparative information, such as industry averages and valuation multiples, are collected into databases and either sold or distributed to dues paying members of the collecting agency." See LeGraw at paragraph 0007. The combination of DeWolf and LeGraw, at best, would be a system that tracked the ownership and value of an asset. Thus, LeGraw might be interested in

asset classification, but only so as to determine the value of the asset, without regard to who contributed to that value. This is in contrast to the limitation of the pending claims of "determining contributor transaction classes into which transactions of contributors with a business entity are assigned."

c. The proposed combination of DeWolf and LeGraw would not be successful

DeWolf is directed to a "Global Asset Information Registry" system that is used by owners of the assets (paragraph 0011). The registry resides at a central location 102 in a database (Fig. 1) and is structured to support asset exchanges (Fig. 2). LeGraw is directed to an "Information Trading System" and includes data that is carefully structured between exchange data and confidential data (paragraph 0015, Fig. 1 and Fig. 3). Thus, the two system are configured for different purposes and include data structures that are not compatible. Therefore, it is asserted that the two could not be successfully combined. Thus, the proposed combination of DeWolf with LeGraw is not supported by a motivation or suggestion, would not result in the claimed invention even if it could be achieved, and would not likely be possible because of incompatible structures. None of the other cited references make up for these deficiencies. As a result, the Section 103 rejection is defeated and Claims 1-28 are patentably distinguishable over the cited references.

CONCLUSION


Applicant respectfully submits that neither DeWolf nor LeGraw, individually nor in combination, describe all of the limitations of the independent claims, Claims 1, 10, 19, and 20. Thus, Claims 1, 10, 19, and 20 are in condition for allowance. All other

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pending claims, Claims 2-9, 11-18, and 21-28, depend, either directly or indirectly, from Claims 1, 10, and 20 respectively and are also in condition for allowance. Applicant respectively submits that all pending claims (1-28) are in condition for allowance and a notice of allowance is solicited.

Any fees that may be due in connection with the filing of this paper, or during the entire pendency of this application, may be charged to Deposit Account No. 50-1213.

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